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## Japan

### Grain and Feed

## U.S. Captures 64% Share in the 2<sup>nd</sup> SBS Rice Tender 2002

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**Report Highlights:** On August 30, the Food Agency of the Ministry of Agriculture, Forestry and Fisheries conducted its second Simultaneous Buy and Sell (SBS) rice tender for Japan Fiscal Year 2002 (April 2002 - March 2003). A total of 10,596 metric tons of foreign rice was contracted with the U.S. accounting for 6,807 metric tons, or 64% of the total. Contracts for Chinese rice slumped at 3,060 metric tons for a 29% market share.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
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On August 30, the Food Agency (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) conducted its second Simultaneous Buy and Sell (SBS) rice tender for Japan Fiscal Year 2002 (April 2002 - March 2003). A total of 10,596 metric tons (MT) of foreign rice was contracted, with the U.S. accounting for 6,807 MT, or 64% of the total. Contracts for Chinese rice slumped to 3,060 MT tons for a 29% market share.

As a result of the decline in the volume of Chinese rice, over two thirds of the total allocation for this tender (30,000 MT) was not filled. According to trade sources, demand for Chinese agricultural products has dropped severely in recent months as a result of numerous incidences of agricultural chemical residues on some products that were above legal tolerance levels. While no violations have occurred with rice, the concern over Chinese products has extended to rice and other agricultural products. In addition, demand remains down as importers/wholesalers still hold large inventories of SBS rice, particularly Chinese rice due to the lead bag issue earlier this year (see Grain and Feed Annual Report, JA2011, and GAIN Report JA2024). As a result of their lower participation in this tender, China's cumulative share in the first two SBS tenders has dropped to 36% this fiscal year, down from 55% last year.

The following tables show the overall results for the first through second SBS tenders and the detailed results for the second tender.

Second SBS Tender (August 30, 2002):									
	China	U.S.	Thailand	Australia	Vietnam	Pakistan	Spain	Italy	Total
Quantity (MT)	3,060	6,807	100	629	0	0	0	0	10,596
Share (%)	28.9	64.2	0.9	5.9	-	-	-	-	100.0
First SBS Tender (May 31, 2002):									
	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity (MT)	5,974	5,642	594	2,382	0	20	17	51	14,680
Share (%)	40.7	38.4	4.0	16.2	-	0.1	0.1	0.4	100.0

Results of 2<sup>nd</sup> JFY'2002 SBS Tender  
(Metric Tons, Yen/Metric Ton)

Country	Type	Quantity Applied (MT)	Quantity Awarded (MT)	Food Agency's Purchase Price (\$/MT)	Food Agency's Selling Price (\$/MT)	Mark-up (\$/MT)
U.S.A.	Short/Brown	126	126	729	1,936	1,207
	Short/Milled	3,011	2,867	804	1,859	1,055
	Medium/Milled	100	100	519	1,838	1,319
	Glut/Short/Brown	18	18	611	2,019	1,408
	Glut./Short/Milled	1,566	1,440	725	1,807	1,082
	Broken/Milled	3,445	2,256	424	974	550
	TOTAL	8,266	6,807	-	-	-
China	Short/Milled	13,962	2,200	682	1,939	1,257
	Long/Brown	38	0	-	-	-
	Glut./Short/Milled	788	788	701	1,982	1,281
	Broken/Milled	846	72	449	1,000	551
	TOTAL	15,634	3,060	-	-	-
Australia	Short/Brown	22	22	754	1,977	1,223
	Short/Milled	457	435	798	2,094	1,296
	Broken/Milled	775	172	406	941	535
	TOTAL	1,254	629	-	-	-
Thailand	Long/Milled	114	60	590	1,935	1,345
	Glut/Med/Brown	18	0	-	-	-
	Glut./Long/Milled	40	40	610	1,958	1,348
	TOTAL	172	100	-	-	-
India	Long/Milled	18	0	-	-	-
GRAND TOTAL		25,344	10,596	-	-	-

Note: Exchange rate used: \$1 = 118 yen